



General Assembly

January Session, 2015

Proposed Bill No. 376

LCO No. 1416



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:

SEN. FASANO, 34th Dist.

SEN. WITKOS, 8th Dist.

***AN ACT PROHIBITING THE USE OF BOND PREMIUMS AND DEBT
SERVICE LAPSES TO FUND ONGOING EXPENSES.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

- 1 That the general statutes be amended to provide that: (1) Any bond
2 premium received by the state and any lapse in the debt service
3 account shall be used to pay off principal or interest on outstanding
4 bonds; and (2) the State Treasurer shall report to the General Assembly
5 after each bond sale which included a bond premium and identify (A)
6 the amount of bonds sold, (B) the interest rate on such bonds, (C) the
7 premium received, (D) the intended use of premium proceeds, (E) the
8 interest rate the state would have paid absent the bond premium, and
9 (F) the total amount of increase in the state's long-term debt due to the
10 difference between the interest rate actually paid versus the interest
11 rate determined under subparagraph (E).

Statement of Purpose:

To reduce the state's long-term indebtedness by requiring that bond
premiums and debt service lapses be used to pay off outstanding debt
and require reporting on the state's receipt and use of bond premiums.